

Use of market competition in fee-for-service Medicare

ISSUE: Members of Congress have expressed interest in pursuing strategies for pricing fee-for-service Medicare goods and services using market-based competition. This draft chapter seeks to assist policymakers considering how this approach can be implemented by discussing design issues, describing the approaches of two related Medicare demonstration programs, and making recommendations on how Congress can build upon the success of the demonstrations and further test the concept of competitive pricing.

KEY POINTS: This draft chapter includes draft recommendations for how Congress could encourage further experimentation and broaden implementation of successful competitive bidding strategies.

ACTION: Commissioners should review the draft chapter and provide comments on tone, content, and recommendations at the meeting.

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